### Adjustments to Controller's Accounts – Year-End Report No. 3

#### **Purpose**

The Adjustments to Controller's Account, Year-End Report No. 3 identifies any adjustments needed to correct central records maintained by the State Controller's Office (SCO) as of June 30. However, this report does not correct the records of the SCO. A Transaction Request form CA504 must be sent to the SCO to correct the errors. The adjustments must also be reported on the Reconciliation of Agency Accounts with Transactions per State Controller, Year-End Report No. 15.

#### **Reference Documents**

- ★ Final SCO/Agency Reconciliation Worksheet as of June 30
- ★ Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records, Report No. 5
- \* Reconciliation of Agency Accounts with Transactions per State Controller, Report No. 15
- **★** SAM section 7955
- **★** Finance Year-End Training Presentation Session 2, Report No. 3
- \* Chart of Accounts Crosswalk of Accounts to Legacy Accounts Department Use (Finance, FI\$Cal Resources for Accounting web page)
- ★ SCO Year-End Financial Reports Procedure Manual (Budgetary/Legal)
- ★ Year-End Reporting Checklist

#### **How to Prepare**

Report No. 3 is an input document that consists of the following forms:

- 1) Form 576 A Report adjustments to asset and liability accounts. The form must be completed when the adjustment is between funds and/or agencies/departments. Review the corresponding Transaction Request form for each adjusting item to determine the fund or appropriation for which amounts are due to or due from.
  - a. If the adjustment is within the same fund, use Legacy Uniform Codes Manual (UCM) general ledger account (GL) 1420, Due From Other Appropriations, or GL 3115, Due to Other Appropriations. A 4-digit Organization Code (Business Unit) of the agency/department involved in the inter-agency transaction is required next to the appropriation GL.

- b. If the adjustment is between two different funds, use GL 1410, Due From Other Funds, or GL 3114, Due To Other Funds. A 4-digit subsidiary fund number of the fund involved in the inter-fund transaction is required next to the appropriation GL. Enter the adjustment amount and enter D (debit) or C (credit) in the "D/C" column.
- 2) Form 576 B Report adjustments to expenditure, reimbursement, transfer, and receipt accounts (nominal accounts). Record the Adjustments to SCO Accounts included on the final SCO/agency reconciliation worksheet as of June 30 for each applicable account line. Multiple adjustments for the same line should be totaled and entered as the net adjustment to the account. Enter the adjustment amount and enter D (debit) or C (credit) in the "D/C" column.

#### **How to Validate**

To validate the completeness and accuracy of Report No. 3:

- 1 Review report header information, including the As of Date.
- 2 Validate the Agency Name, Agency Number, Fund Name, Fund Number.
- 3 Account numbers must be in Legacy UCM general ledger account values (GL).
- 4 The amounts on Report No. 3 Form 576 B should match adjustments on Report No. 5 (if crossing fund or appropriation reference).
- 5 The amounts on Report No. 3 Form 576 B should match adjustments on Report No. 15.

### Important Notes/Tips

#### **Steps for Governmental Cost Funds:**

- Complete a Transaction Request (CA 504) and submit a copy to SCO with Report No. 3. This report does not correct the SCO's accounts. Remember that the original Transaction Request form must be submitted to the SCO Bureau of Accounting and Consulting (BAC) to correct the SCO cash basis records on agency accounts. Indicate "For Report No. 3 and correction is needed only in SCO legacy" to alert SCO not to interface the transaction back to FI\$Cal.
- ➤ Each entry on the Report No. 3 must be identified by a number that cross-references to the CA 504. This number should be placed on the Account Title column on Form 576A and to the right of the amount on Form 576B.
- Verify that Report No. 3 Form 576 A and Form 576 B total to a net amount of zero.

#### **Steps for Non-Governmental Cost Funds:**

- Prepare Report No. 3 when the department's account balances for the accounts listed below do not agree with SCO's balances on June 30.
  - o Cash in State Treasury (Account 1104000) (GL 1140)
  - o Deposits in Surplus Money Investment Fund (Account 1120000) (GL 1210)
  - o Prepayments to Other Funds/ Appropriations (Account 1309200) (GL 1730.0666)
  - o Advances to Other Funds (Account 1222000) (GL 2120)
- ➤ Use Form 576 A to report adjustments. Form 576 B is not used.
- > An explanation for each adjustment should be included with the completed form.
- The reported adjustment combined with the Pre-Closing Trial Balance, Year-End Report No. 7, should be the amount necessary to bring the department's accounts in balance with the SCO's June 30 balances.
- > The total debits must equal the total credits.

For illustration purposes, attached is a sample of Transacting Request CA 504.

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For illustration purposes, attached is a sample Report No. 3, Form 576 A - To report adjustments to asset and liability accounts.

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Name of Contact Person,	Title			Telephone Number	Ema	il Address			$\neg$
U.F	R. Dunne, Accour	nting Officer		(916) 123-4567	<u>UR</u>	.Dunne@ti	raining.ca.gov		$\square$
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For illustration purposes, attached is a sample Report No. 3, Form 576 B - To report adjustments to expenditure, reimbursement, transfer, and receipts accounts.

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Name of Contact Person, T	îtle .						Telepho	ne Numb	er		Email Address						
U.	R. Dunne, Account	ting Offi	се	r			(91	6) 123	3-4567	7			<u>UF</u>	R.Dunne@tra	ining.ca.gov		
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For illustration purposes, attached is a sample Report No. 3-Form 576 A compared to Transaction Request CA 504

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For illustration purposes, attached is a sample Report No. 3-Form 576 B compared to Transaction Request CA 504.

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For illustration purposes, attached is a sample Report No. 3-Form 576 B reconciled to Report No. 5

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For illustration purposes, attached is a sample Report No. 3-Form 576 B reconciled to Report No. 15

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ı	Agency Name and Number	r						Fund Na	ame and I	Number								i
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RECONCI	FU LIATION OF AGENC	ND 4321 - T Y ACCOUN SCAL YEAR	RAINING SUI TS WITH TRA ENDING JUI		)	ITROLLER	Report No. 15		
Appropriations	Controller	Apply Cu Adjustments	rent Year		Access forced	Appropriation Reimb	Revenue	Reverted Approp	Statewide
Appropriations	06/30/2021	SCO Accounts	Accruals	TOTAL	Approp. Expend (9000)	(8100)	8000	(9891)	Assessments
	(A)	(E)	(F)	(G)	(H)	(1)	(J)	(K)	(L)
	Step A SCO Tab Run	Step E Report 3	Step F Report 2	Galculated Field	Step H Report 6	Step I Report 6	Step J Report 4		GL Trial Balance
Item 1234-001-4321									
Chapter 0006/20, FY 2020/21									
Program 10, State Budget	16,556,690.39		3,810,786.77	20,367,477.16	20,367,477.16				
Program 15, Financial Information System for Ca	1,071,534.03		2,117,081.67	3,188,615.70	3,188,615.70				
Program 20, State Audits and Evaluations	7,776,272.81		1,511,718.59	9,287,991.40	9,287,991.40				
Program 30, Statewide Acct Policies, Consulting & Tra	4,753,290.07	5	1,070,953.06	5,824,243.13	5,824,243.13				
Program 32, Department of Justice Legal Services	85,017.13	_	73,958.92	158,976.05	158,976.05				
Program 37, Local Government Audits and Review	7,597,538.02		1,947,983.36	9,545,521.38	9,545,521.38				
Program 40.01, Administration	6,727,948.11		1,541,657.77	8,269,605.88	8,269,605.88				
Program 40.02, Administration-Distributed	-6,727,948.11		-1,541,657.77	-8,269,605.88	-8,269,605.88				
Program 99, Clearing Account	9,525,556.24	-1,186.95	-9,524,369.29	0.00	0.00				
Category 90.10, Reimbursements to 6770 -State Bud	-1,985,483.45		-351,005.01	-2,336,488.46		-2,336,488.46			
Category 90.15, Reimbursements to 6775 -Financial	-2,623,782.24		-564,833.46	-3,188,615.70		-3,188,615.70			
Category 90.20, Reimbursements to 6780 -State Aud	-5,365,781.13		-469,994.41	-5,835,775.54		-5,835,775.54			
Category 90.30, Reimbursements to 6785 -Statewide	-3,734,589.58		-808,273.59	-4,542,863.17		-4,542,863.17			
Category 96, SCIF Deposit	6,705.76		-6,705.76	0.00					
Category 97, ORF Advance	200,000.00		-200,000.00	0.00					
Category 98, Advance to SRF - Other	42,000.00		-42,000.00	0.00					
TOTAL	31,654,271.58	-1,186.95	-1,370,687.17	31,817,584.97	48,355,745.62	-15,875,776.48	-611,361.81	-51,022.36	0.0